

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2367-01  
Bill No.: HB 986  
Subject: Health Care; Health Care Professionals; Insurance - Medical; Insurance Dept.  
Type: Original  
Date: April 7, 2009

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Bill Summary: Prohibits a health carrier from denying reimbursement for diagnostic imaging services based solely on a provider's specialty or professional board certification.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Missouri Department of Conservation, Department of Insurance, Financial Institutions and Professional Registration, Missouri Department of Transportation, and Missouri Consolidated Health Care Plan** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Public Safety (DPS) - Directors' Office** state they are unable to determine the fiscal impact of the proposal and defer to the Missouri Consolidated Health Care Plan for response regarding the potential fiscal impact.

Officials from the **DPS - Missouri State Highway Patrol (MHP)** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of this proposal on their organization.

Officials from the **Department of Social Services (DOS) - MO HealthNet Division (MHD)** state this legislation does not revise Chapter 208, RSMo. Therefore, it does not affect MO HealthNet fee-for-service program.

This legislation does, however, revise Chapter 376, RSMo. The MHD assumes that since there is no specific exemption for contracts with the state, the legislation will pertain to HMOs that contract with the state to provide health benefits to MO HealthNet Managed Care participants.

The MHD recognizes there may be additional costs of doing business for HMOs if this legislation passes and that those costs may be passed on to the MHD. The MHD may incur additional costs for an actuarial analysis to determine if capitated rates should be adjusted for the additional costs incurred by the HMO.

If an actuarial analysis is needed, it will occur in the first year and is a one-time cost. The cost of the analysis will depend on the number of program changes that will need to be analyzed, as well as the complexity of those changes. This cost is unknown, but may be as high as \$100,000. Since this is an administrative costs, there will be a 50% federal match rate.

If the HMOs are required to provide additional benefits and the MHD's current rates don't support those costs, the actuary may require an increase in capitated rates to ensure actuarial soundness. If this occurs, the cost to the MHD is unknown. These additional costs would occur in the second and third years.

ASSUMPTION (continued)

Therefore, the MHD assumes FY 10 costs to be unknown less than \$100,000 (General Revenue unknown less than \$50,000) and FY 11 and FY 12 costs to be unknown.

**Oversight** notes if this proposal increases the costs of the HMOs doing business with the DOS-MHD, costs may be passed on via increases in administrative costs when contracts are renegotiated. However, since the Missouri Consolidated Health Care Plan, Missouri Department of Transportation, and Missouri Department of Conservation assume the proposal will not fiscally impact their agencies, **Oversight** assumes the DOS-MHD will probably not see significant increases in the administrative costs passed on by HMOs and, therefore, assumes the proposal will not have a significant fiscal impact on the MO HealthNet program.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small businesses that provide employees with health insurance coverage if insurers raise premium rates.

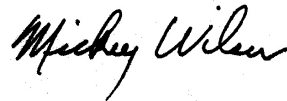
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration  
Department of Social Services  
Missouri Department of Transportation  
Department of Public Safety -  
    Director's Office  
    Missouri State Highway Patrol  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA  
Director  
April 7, 2009